

TO: Mayor and Board of Trustees
FROM: Village Administrator Steve Stricker and Staff
SUBJECT: Regular Meeting of November 8, 2010
DATE: November 5, 2010

PLEDGE OF ALLEGIANCE

Carlton & Payton Lee, St. Isaac Jogues School

6. ORDINANCES

A. Annex Certain Property (Surrounded Territory)

Saia attorney Scott Hargadon has indicated that Saia is working on screening ideas and obtaining cost estimates for the proposed improvements discussed at the last meeting. Mr. Hargadon will present an update to the Board on Monday evening.

7. RESOLUTIONS

A. Extension of Subdivision Completion Deadline – Meadowbrook Place

This matter has been tabled from two previous Board meetings pending payment of an extension fee. The developer has not yet paid the \$10,000 fee and reports to staff that they are awaiting disbursement of funds from their bank. The developer asks that the Board table this matter once again. We have asked the developer to be present at Monday's meeting to make this request.

B. Accept Street and Landscaping Improvements (Savoy Club)

The maintenance period for the Savoy Club Subdivision expired on October 13, 2010. As the Board is aware, the developer defaulted on his obligations to complete and maintain the improvements and the Village drew the full amount of the Letter of Credit and completed the subdivision maintenance and improvements. All of the improvements except the final paving of the streets, street signs, and some of the landscaping were approved and accepted by the Village in 2008. With the draw on the Letter of Credit, the Public Works Department completed the final paving, street signs, and landscaping as well as maintenance work on the previously accepted improvements.

In order to close out the construction of the subdivision improvements, a Resolution accepting and acknowledging the completion of the final paving, street signs and landscaping is necessary. All of the funds drawn from the Letter of Credit have been spent completing and maintaining the improvements.

It is our recommendation: that the Resolution be adopted.

8. CONSIDERATIONS

A. Medical Center Wayfinding Sign on County Line Road, North of I-55

Attached is a letter from the developer of the medical building at 6800 North Frontage Road (a.k.a. Loyola Medicine) offering a donation to pay for the construction of a wayfinding sign on County Line Road north of I-55. The sign would be consistent with the Village's wayfinding signs on southbound County Line Road and in the Village Center. The sign would identify the medical center building, Burr Ridge Park District Community Center, Harvester Park, and the Hotel. The amount of the donation would be equal to the Village's cost for fabrication and installation of the sign - \$8,325. The sign would match the existing two-pole sign on southbound County Line Road south of I-55 (see attached sketch). It would be located on the east side of County Line Road between I-55 and Veterans Boulevard/Carriage Way Drive.

Although the medical center building is a private enterprise, it will include an immediate care center that is open to the public and provides a critical public service. Thus, it can be distinguished from other private businesses and is appropriate to be included in one of the principal way finding signs. Other wayfinding signs include only generic references to hotels, shopping, and dining with the exception of the small trailblazing signs for restaurants and hotels that participate in the IDOT business logo program. IDOT requires the small trailblazing signs as a condition of participation in their highway business logo sign program.

At this time, the developer has not determined what the text on the sign will read. The identification of the medical center building is subject to final leasing of the building and the developer is currently working to finalize a lease for the third floor of the building (Loyola already has signed a lease for the first two floors and is considering taking the entire building). The developer will be presenting a petition for a sign variation to add a second sign to the south façade of the building for Loyola Medicine. That petition is scheduled for review by the Plan Commission on November 15, 2010 and by the Board of Trustees on November 22, 2010. If Loyola takes the entire building, it is likely that they will want the Village's wayfinding sign to identify the building as Loyola Medical Center rather than Burr Ridge Medical Center.

It is our recommendation: that the Board tables this consideration to their November 22, 2010 meeting.

B. 2010 Tax Levy

The Tax Levy, which represents approximately 3% of a Burr Ridge resident's tax bill, is comprised of three separate levies:

1. The Corporate Levy
2. The Police Protection Levy
3. The Police Pension Levy

In addition, there is a Bond and Interest Levy for the Series 2003 (1996 Series refinanced) General Obligation Bonds issued for the Bedford Park

Water Main Project. This Debt Service Levy was set when the bond issue was established and is not part of the Tax Levy that must be approved by the Board.

The Tax Levy Ordinance must be adopted and filed with Cook and DuPage Counties no later than the last Tuesday of December. The Corporate Levy and the Police Protection Levy represent approximately 5% of the total General Fund Revenues and are used to pay for normal expenses found in the General Fund. The Police Pension Levy, which is the legally required employer contribution, is determined by an independent actuarial valuation as of April 30, 2010. Once the pension requirement is established, the remaining dollars are allocated between the Corporate Levy (60%) and the Police Protection Levy (40%). The 2010 proposed Tax Levy is summarized as follows (see attached exhibits for more detail):

	Actual Extended 2009	Proposed Extended 2010	Dollar Change	% Change
Corporate	\$230,975	\$201,524	-\$29,451	-12.75%
Police Protection	\$154,858	\$134,349	-\$20,509	-13.24%
Police Pension	\$561,690	\$704,238	\$142,548	25.38%
TOTAL	\$947,523	\$1,040,110	\$92,587	9.77%
(net of debt service)				

It should be noted that the General Fund levies of Corporate and Police Protection were reduced by over 20% each in order to fund the Police Pension Fund.

Police Pension funding continues to rise. For FY 2010-11 almost 70% of the Tax Levy will go to fund the Police Pension. By 2014 100% of the Tax Levy will be utilized for Police Pension funding. After the Tax Levy, other dollars from General Fund Revenues will be needed.

The Village of Burr Ridge, like all non home-rule communities in Cook and the collar counties in the State of Illinois, is subject to a tax cap of 5% or the cost of living, whichever is lower. This year the state-imposed tax cap has been set at 2.7%. As we have done in past years, the proposed Tax Levy is projected to increase to the maximum allowed under the tax cap. Any dollars not included in this maximum are lost and cannot be used as the starting basis for next year's Levy.

When calculating the Tax Levy for the Village, three factors are taken into account:

1. What will be our estimated increase in EAV?
2. Is the Levy in compliance with the tax cap?
3. What will be the estimated tax burden on an average home in Burr Ridge?

Factor 1:

Exhibit 3 shows the trends in EAV. In past years we have estimated the

Village's EAV at a 10% increase which is comprised a 3% increase in existing value and a 7% increase in new construction. In order to capture new construction values from the Village Center we have estimated the Village's EAV for 2010 will increase by 10% to \$1,443,596,213. This encompasses a 3% increase in existing value and a 7% increase in new construction. With this estimate, the tax rate and levy can be developed. We have utilized the 10% factor to insure we capture the maximum allowed under the tax cap.

Factor 2:

In computing the tax rate and levy to the maximum amount under the tax cap, a "Limiting Rate" must be estimated. The Limiting Rate is a calculation prepared by the County Assessor in conjunction with the tax cap. If our final Limiting Rate estimate is low, we will receive what we requested. If our estimate is high, our request will be reduced. For the 2010 Tax Levy, the estimated Limiting Rate has been calculated as .0720. This is arrived at by taking the 2009 actual tax extension and adding a 2.7% cost of living adjustment, then taking the 2009 actual EAV and adding the 2010 estimated increase in value. Finally, the two numbers are divided to arrive at a rate (see Exhibit 4).

Factor 3:

We have increased the 2010 Levy over the 2009 Levy to achieve the maximum dollars possible within the Limiting Rate and still maintain a level tax burden on Village residents' tax bills. Exhibit 7 shows the impact on an average \$530,450 home in Burr Ridge. In this example, taxes (excluding debt) are increased by \$3.45 for the DuPage County home and increased by \$5.59, assuming the same state equalizer factor, for the Cook County home.

Summary:

With the exclusion of Debt Service, the 2009 estimated extended Tax Levy is \$1,040,110. This is a 9.77% increase over 2009, but the impact on Village residents is negligible. The proposed tax rate is .0720, which equals the estimated Limiting Rate. The Village is required to hold a public hearing under the "Truth in Taxation" Law (see Exhibit 5). The public hearing will be held at the Regular Meeting of the Board on Monday, December 13, 2010.

Enclosed please find the following exhibits:

1. Proposed Tax Levy and Rates
2. Last Year's Tax Levy Estimated vs. Actual
3. Property Tax and EAV History
4. Tax Levy Limiting Rate Calculation
5. Tax Levy Calculations for Truth in Taxation
6. Last Year's Levy vs. Proposed Extended Tax Levy
7. Projected taxes for a \$500,000 Home in Burr Ridge
8. Debt Service and EAV Growth
9. Taxing Body Tax Burden By Area
10. Taxing Body Tax Burden by Category

It is our recommendation: that the proposed Tax Levy for 2010 be accepted and that Staff be authorized to prepare the necessary notice for a public hearing to be held on December 13, 2010.

C. Resignation of Patrol Officer

Enclosed please find a letter from Patrol Officer Christopher Krawczyk tendering his resignation from the Burr Ridge Police Department, effective November 13, 2010.

It is our recommendation: that the resignation letter from Christopher Krawczyk be received and filed.

D. Hire Part-Time Public Works Administrative Secretary

Enclosed please find a letter from Shirley Benedict tendering her resignation from the position of part-time Public Works Administrative Secretary, effective November 22, 2010. Both Public Works Director Paul May and I are recommending that this position be filled as soon as possible.

It is our recommendation: that the Public Works Director be authorized to hire a replacement part-time Public Works Administrative Secretary to fill the vacancy created by the resignation of Shirley Benedict.

E. 2011 Board Meeting Schedule

Enclosed is the proposed schedule for the 2011 Village Board meetings.

It is our recommendation: that the 2011 Village Board meeting scheduled be approved as submitted.

F. Approval of Vendor List

Enclosed is the Vendor List in the amount of \$514,932.65 for all funds, plus \$180,058.38 for payroll, for a grand total of \$694,991.03. The Vendor list includes the following special amounts:

- \$308,952.80 – Harbour Contractors for payment #13 on the Police Station construction project
- \$55,463.00 – SKC Construction, Inc. for the crack seal project (2010 Road Program)

It is our recommendation: that the Vendor List be approved.